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Old West Regional Commission Annual Report 1978

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OLD WEST REGIONAL COMMISSION

CITY OF DENVER, COLORADO

STATE OF COLORADO

The Honorable Walter F. Mondale
President of the Senate

The Honorable Thomas P. O'Neill, Jr.
Speaker of the House

Gentlemen:

We are pleased to present the Old West Regional Commission's report on its activities for fiscal year 1978. We trust you will find it an enlightening view of encouraging economic progress in a Region which continues to fulfill its traditional role as the nation's breadbasket while also preparing to become a major supplier of future energy resources as well.

During the six years the Commission has been in existence, the economic problems and objectives of the Region have shifted significantly. Whereas we originally were concerned primarily with high unemployment, out-migration of our young people and incomes below the national average, the energy crunch has brought to the Region serious socio-economic impact problems associated with rapid resource development and complex environmental trade-offs as energy-related industrial requirements vie with the agricultural economy for utilization of the Region's natural resources.

The Commission diligently attempts to provide leadership to the States and local governments in coping with these shifting priorities and changing economic problems. This report outlines many of the ways in which that leadership is provided.

Edgar J. Herschler
State Cochairman

George D. McCarthy
Federal Cochairman

Commission Membership

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Governor Ed Herschler
Wyoming, State Cochairman



Governor Thomas L. Judge
Montana



Governor Charles Thone
Nebraska



Governor Arthur A. Link
North Dakota



Governor William J. Janklow
South Dakota



George D. McCarthy
Federal Cochairman

Agriculture and Natural Resources

Despite the rapid growth of mineral resource development in the Region, agriculture remains as the Old West's principal industry, a fact which is clearly reflected by the Commission's overriding attention to agriculture and natural resource concerns. Accounting for the major share of the Commission's budget, these matters were addressed aggressively in a number of different ways during the year.

Continued expansion of the co-ordinated regional international marketing program was again a major activity. Conservation and effective utilization of water occupies a growing amount of attention. Improved yields by means of better resource management and production methods, together with expanding sophistication of management information services, also reflected a strong agricultural emphasis.

The U.S. Department of Agriculture took note of the Commission's far-reaching program and the critical importance of Old West States' contribution to the nation's agriculture production by appointing a high-ranking official as liaison between the agencies. The USDA representative sits regularly with the Commission at its meetings and joins the Agriculture and Natural Resource advisory committee in its quarterly consideration of programs and proposals.

The Region's expanding international marketing program was highlighted by an agreement with the Pacific Northwest Commission to open a joint office in Tokyo representing the two commissions in the Far East. The Pacific Northwest Commission is interested primarily in marketing forestry products while the Old West is concerned primarily with agricultural products. The office is operated by a consulting firm experienced in marketing foreign products in Far Eastern countries; its activities in behalf of the Old West Commission are coordinated by a staff member in the Commission's Billings office, from which he maintains close liaison with agriculture marketing officials from all five states.

Earlier the Commission's Far East agricultural marketing consultant, a veteran of Far East agricultural marketing with experience in USDA and Western Wheat

Associates, outlined a beef marketing strategy for Old West producers. Expanded sale of beef is one of the key targets of the marketing program; in this regard the Commission has its work cut out for it, since it must compete against less expensive, lower quality and more conveniently located Australian products in most Far Eastern markets.

Another marketing study, this one involving West African countries, was undertaken in cooperation with Great Plains Wheat, Inc., a national U.S. wheat promotion organization. Countries surveyed included Senegal, Liberia, Ivory Coast, Ghana, Nigeria, Congo and Zaire, all of which compose a large and relatively undeveloped market for wheat exports.

Another effort carried on in cooperation with Great Plains Wheat was a new product testing program in Brazil. The object was to determine the feasibility of initiating a specialized, concerted program to promote the increased purchase of oriental-style noodles in Brazil. Expansion of the market would lead to more wheat sales to our South American neighbor which purchases U.S. wheat for its noodles. Still another cooperative program with Great Plains Wheat was design and publication of a new, improved U.S. Wheat Sample Card listing the major changes in classification and grading of U.S. wheats. The card, which was identified as an Old West promotion item in cooperation with U.S.D.A. Foreign Agriculture Service, Great Plains Wheat, Inc., and Western Wheat Associates, was printed in five languages and distributed throughout the world.

Specialty food production received attention from the Commission which funded a project to demonstrate the feasibility of producing specialty cheeses in Montana. The object is to determine whether Montana milk products and processing facilities have the capability of producing special cheeses developed by established foreign producers. If results of the study prove positive, the producers had indicated a strong interest in assisting Regional processors in establishing foreign contacts and developing cooperative ventures for local specialty cheese production.

Water Resources

With adequate water to serve both agriculture and growing industrialization,





the Commission stepped up its emphasis upon conservation and efficient management of the Region's vast water resources. It expanded the operation of its Rural Water Office in Bismarck with the addition of staff specialists to work with multi-county areas involved in development of large rural water systems. Available assistance includes economic evaluation of financing alternatives, development of legal and institutional arrangements, and coordination of rural and municipal support. Selection of eligible local groups is made by a five-state advisory board appointed by the Governors.

Two additional innovative water development projects were undertaken. The Commission provided a grant to Montana State University to develop a sophisticated education and planning program in water resource management. The program will consist of a series of workshops which can be conducted by community groups throughout the five Old West states. The key to development of water utilization strategies will be a "water resource simulator," an interactive analog computer which models the

Region's water supply and demand situation, permitting participants to formulate and implement water use strategies, then projecting the probable consequences of their actions.

A grant was provided to the South Dakota State Planning Bureau to demonstrate establishment of a water resources management policy office at the state level. The function of the office will be to analyze public water policy issues within the Region and to develop strategies, procedures and recommendations for addressing water resource management needs and opportunities.

Water availability and quality and its possible depletion by expanding industrialization in the mining area of the Powder River basin of eastern Wyoming have become a matter of considerable concern for the communities of nearby western South Dakota as well of those of Wyoming. One of the suggestions under consideration to relieve the prospective situation is the piping of water from the Missouri river in central South Dakota to the Powder River area to supply both domestic and industrial users. In order to



help affected states consider such a possibility, the Commission provided a grant establishing a regional task force to look into the financial and technical feasibility of constructing an aqueduct between the areas.

A companion project undertaken by South Dakota and Nebraska water districts involved investigation of feasibility and costs of moving water from a proposed pump storage unit in South Dakota to the area of need which includes south central South Dakota and north central Nebraska. The project addressed water for irrigation, rural domestic uses, and municipal and industrial water.

Meantime an earlier project to investigate the mechanics and potentials of artificial groundwater recharge was extended for another year. The project, conducted by the University of Nebraska, has a number of objectives including documenting and evaluating existing recharge systems, determining rates of recharge, selecting areas within the Region suitable for recharge, and demonstrating the practicability of recharge in selected areas. Another continuing groundwater project involved research to determine the major sources of nitrogen contamination of groundwater in the Platte River basin.

For the first year, the Commission extended its supplemental grant authority to the area of rural water development. It approved supplemental grants for four Federal-State projects totalling \$542,000. They included irrigation, flood control and recreation developments.

Land Management

Concern for proper land management and maximizing production was evidenced by a large number of projects. Among them was continuation of two regional programs designed to upgrade land management practices: a continuing multi-media campaign to instruct ranchers, the public and the Region's youth on better range management practices, and continuation of the soil survey acceleration program in which the Commission augments the resources of the U.S. Soil Conservation Service in training surveyors to complete the Region's soil surveys at the earliest possible time. The range management program has become increasingly popular and the Commission, which has funded it



for four years, is hopeful that it has now gained enough momentum to carry on independent of Commission support. Acceleration of soil surveys, in its third year under Commission auspices, had succeeded in reducing by approximately one-third the estimated amount of time required to complete surveys in the entire Region.

Also continued was the program to provide liaison between the Region's ranchers and the Bureau of Land Management in negotiating terms of the Federal government's allotment for Federal grazing lands. The Commission supported a regional team dedicated to alerting users of BLM lands to the importance and processes involved in the development of the environmental impact statements (EIS) now required by BLM as a result of the Natural Resource Defense Council vs BLM lawsuit. The Allotment Management Plan, which serves as the basis for the grazing EIS, could have widespread implications for the Region's ranchers.

Considerable Commission effort in the past several years has been devoted to research and demonstration work directed at correcting the problem of saline seeps, the excessively-saline soil condition which had been continually removing thousands of acres of northern plains agricultural land from production. While some cropping demonstrations are proving effective in eradicating the condition, other practices were undergoing final testing. Recognizing a strong tendency among the Region's farmers to over-till the land, the Commission undertook a related minimum tillage demonstration. The three-year experiment is designed to measure results of minimum tillage operations. Agriculture officials feel it may lead to fuel savings, more protection against wind and water erosion, better soil structure and increased longevity for machinery.

Other aspects of the same problem were addressed through a demonstration of sod-seeding methods for establishment of small seeded grasses and legumes and development and demonstration of a prototype no-till planter capable of handling both large and small grains. Also completed during the year was the evaluation of new and

existing plant materials most adaptable to saline soils.

To investigate further the reestablishment of vegetation on mined lands, the Commission sponsored in cooperation with the U.S. Fish and Wildlife Service a project to investigate the microbial effects on such lands and determine whether there are positive steps which can be taken to accelerate the re-vegetation process on such sites.

In a related project, the Commission undertook to determine the feasibility of ammonia production on a small scale with wind as the energy source. The prime objective is to identify an appropriate method for converting nitrogen and hydrogen to ammonia and then designing and constructing an efficient model ammonia conversion unit capable of integrating with a wind energy support system. The demonstration was undertaken to prove the feasibility of providing a system which could produce from 50 to 150 tons of ammonia per year for application at nearby sites where distribution and transportation costs would be minimal.

An earlier project to formulate procedures and recommendations regarding reclamation of bentonite spoils was extended to provide another growing season for the analysis of procedures and results on two test sites.

Livestock is one of the most important aspects of the Region's agriculture, and the Commission directed several projects at the welfare of the Old West livestock population. One of the more pressing livestock problems is a neo-natal calf disease called the weak calf syndrome. This problem is encroaching on herds throughout the Region and may be of national significance. With the assistance of a Commission grant, the University of Nebraska in cooperation with the University of Montana is searching for the causative agents and means of eradicating the problem which can result in a 10 percent mortality rate in young cattle.

A similar project was undertaken to meet the challenge of a new roundworm infestation in pigs. The Commission funded an effort to devise a serum capable of immunizing pigs against the parasite. Still another project recognized the Region's declining sheep population

and sought to devise a forage and management system which would improve efficiency of raising ewes in Old West states.

Information

AGNET is a computer-based farm and ranch management system developed by the University of Nebraska and extended throughout the Region by the Commission which has proved to be extremely beneficial and popular. By contacting the university computer by telephone or through their county agents' terminal, Old West farmers and ranchers can secure statistically-sound data to help devise strategies in budgeting, management, cropping, irrigating, feeding, marketing and a variety of other activities which have such an important bearing upon a year's success or failure. The Commission extended the program throughout the Region by furnishing training for state officials, facilities to hook up with the AGNET computer, and coordination of the function throughout the Region.

Simultaneously the Commission is helping add to the store of decision-making tools available through the computer. Some 150 farm and ranch management models already are available through the AGNET program. The Commission agreed to assist in development of forecasting-programming models to help generate sales advisory information on beef and swine. Commission grants will help establish advisory panels for both beef and swine marketing; the panels will develop appropriate programs for information dissemination through the AGNET system by 1980. Included in the work will be development of a monthly placement and sales advisory report service for beef feedlot operations. This service also will be available through AGNET.

A final noteworthy Commission action taken during the year was adoption of a strongly-worded resolution condemning the sale of the Region's farmland to foreign interests. While the Commission acknowledged it is very interested in reverse investment from other countries, it left no doubt that the five Old West states were vehemently opposed to sale of farm lands to outside interests, or in any other activity which will tend to further destroy the region's family farm tradition.





Energy Resources

As has been customary for the past several years, much of the Commission's response to rapidly-growing energy development in the Region took the form of technical assistance to impacted communities and planning districts (See Government Services section). A good deal of work continued in the area of meeting environmental impacts created by expanding mining operations and increasing industrialization. Research into economic impacts and alternative energy sources also occupied Commission attention during the year.

Three environmental projects endeavored to provide guidance for the Region's officials in measuring and coping with the negative impacts resulting from increased mining.

The North Dakota State Department of Health, having received an earlier Commission grant to investigate the short-term effects of trace element emissions from energy conversion facilities, extended its work under Commission auspices to an assessment of long-range effects. The field of investigation is particularly important to North Dakota, which may become the home of one of the nation's first major coal gasification plants, but findings will be equally adaptable elsewhere throughout the Region. The objectives of the project are to evaluate trace element transfer factors from air to soil and from air to surface water, to evaluate disposal methodologies for liquid and solid waste, to evaluate long-term storage and contaminant questions, and to develop a system of proposed regulatory controls in order to reduce the long-range effects of trace elements to a minimum.

In a related area, the Commission continued to support an effort to provide baseline data for future use in the event of inadvertent air modification from industrial plants. The measurements, conducted by a mobile laboratory developed under an earlier Commission grant, were taken at various points on a standard course which covered the entire Region. Data collected was analyzed to estimate the particulate and gaseous concentrations having the potential to modify weather processes in the Region, and to make preliminary estimates and projections of future pollutant concentrations and their effects.



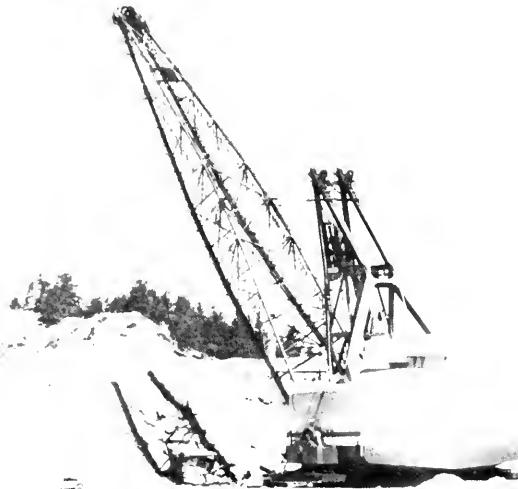
Another long-standing project, investigation of reclamation procedures from mined lands by the State of North Dakota, was completed during the year. Recommendations were developed to cope with chemical and physical characteristics of mined lands and their effect on new plant life.

Development of an energy resources and environment studies training program for the Salish-Kootenai and Blackfeet Indian tribes of Montana was undertaken in cooperation with the Department of Energy's Argonne National Laboratory. Objectives of the program were to develop an educational program to meet tribal needs, to provide instruction and facilities, and to adapt the program so that it could be enlarged as needs required.

In the meantime work continued on the massive environmental impact statements (EIS) for the coal-laden areas of North Dakota, Montana and Wyoming. The Commission had furnished grants ranging from \$200,000 to \$300,000 for the three states to fulfill their share of the EIS responsibilities in cooperation with the Department of Interior. North Dakota was the first State to complete its EIS, delivering its final report in October 1978.

Socio-Economic Monitoring

An ambitious two-year longitudinal socio-economic monitoring project came to a conclusion during the year, and the University of Wyoming, which had conducted the project, began to assemble the data. Although there have been many projects over the years about the socio-economic impact of energy development, little factual data had been collected. The object of this project was to measure social and economic factors over a period of time in an effort to develop a clearer understanding of relationships between employment and population increases and socio-economic changes. Field work for the project was carried out in two heavily-impacted counties, Platte county in Wyoming and McLean county in North Dakota, and in two unimpacted "control" counties possessing many of the same characteristics, Kimball county, Nebraska, and Wheatland county, Montana. The project sought to compare measured changes in the study areas with project changes in an attempt to isolate reasons for discrepancies, to determine whether they were related generally to energy development or whether they were site specific, and to make the results available for planners, legislators and



public administrators.

Another grant was made to the Cheyenne River Sioux Indian tribe to assist in planning and administering energy development strategies. The project seeks to furnish the tribe with adequate business management services in planning and administering strategies involving the mineral deposits within its boundaries.

Two alternative energy sources received Commission attention. A demonstration of small wind-generated electrical energy systems by the University of Wyoming attempted to determine the feasibility of using wind power for electrical power generation in rural areas where winds are substantial. Researchers are attempting to develop a system of on-site wind generated electricity which can be utilized to augment conventional power sources, and stored as surplus power in times of reduced demand.

Nebraska's long-time interest in consideration of gasohol as a gasoline

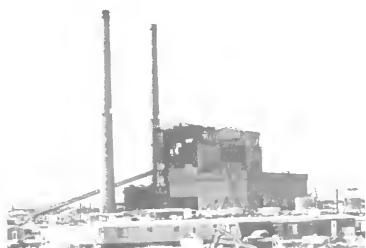


additive and extender received attention in a cooperative investigation by the Commission and the Department of Energy. The joint effort to evaluate the feasibility of establishing commercial gasohol production plants compares favorably with other energy conversion processes but, without increases in regular gasoline prices, incentives would be required to attract private investment in gasohol plants. Gasohol consists of 10 percent agriculturally-derived anhydrous ethanol and 90 percent unleaded gasoline. The Commission's report contended that ethanol ranges from 49-86 percent in energy efficiency compared to about 60 percent in coal gasification. It said that if gasoline prices were to double, ethanol production would become feasible.

When Congress authorized the Department of Energy to assist in funding a number of coal research laboratories throughout the nation, the Commission responded by organizing a task force consisting of representatives of the

Region's universities to develop a coordinated regional approach for securing one or more of the laboratories for the five-state area. The task force began consideration of seeking a major laboratory contract which would encompass satellite labs at the various participating universities, each dealing with a specific aspect of the coal development problem in the western states.

The Commission's Energy Research Information System (ERIS) finished its third year with an expanded data base of over 1200 energy-related projects. Cooperation continued with the Department of Energy's RECON system and its Inventory of Energy Research and Development. Other agencies cooperating with ERIS this year included the U.S. Geological Survey and Argonne National Laboratory. Additional efforts to expand awareness of the ERIS services through workshops and meetings resulted in increased usage of the ERIS Projects Reports and the ERIS computer search service.





Human Resources

Education and health programs continue to be important Commission activities in the area of developing the Region's human resources. Major educational thrusts involved continued progress toward possible construction of a regional school of veterinary medicine, another year of operation for the Family Training Center in Montana and continued support for an Indian junior college consortium which operates 12 schools within the Region. Health manpower recruitment continued as one of the Region's primary health problems; the search continued for an effective means of meeting the health care needs of the many small communities which are without facilities or personnel.

The Commission approved funds to develop the regional veterinary school concept to the point where concrete proposals could be placed before the various state legislatures in January 1979. Consideration of constructing a school to relieve increasing pressure on state contracts with veterinary schools outside the Region has proceeded carefully for several years. With feasibility studies and other investigations pointing the way toward ultimate educational security and dollar savings for the Old West states in constructing their own school, a non-profit organization called VESP was incorporated to provide resource support to the states in their consideration of whether to press ahead with the regional concept.

The Veterinary Education and Services Program, Inc., funded by a grant from the Commission and guided by a board of directors representing veterinary officials in the Old West states, was organized to: draft model legislation to be considered by each state in connection with a regional school; prepare memoranda of agreement among the states for support of the school; draw up pre-accreditation reports for the American Veterinary Medical Association; prepare applications for federal assistance grants, and prepare preliminary architectural plans for facilities required in each state.

The plan for the school, if it is approved by enough states to make its construction feasible, calls for individual states to offer the first year of training at their home university campuses with the final three years of study to be conducted at a new

facility at the University of Nebraska. Cost of the base school at Lincoln, Nebraska is expected to be about \$28 million; there are federal authorities permitting 50-80 percent matching federal funds for construction if the states agree to proceed and can secure federal appropriations.

The Region's veterinary students now are educated in a number of schools outside the Region, with the Old West states receiving space quotas which they may fill at contracted prices. While this system has been in effect for many years, increasing enrollment pressures from resident students at existing schools is inexorably reducing the number of spaces being offered to non-residents from Old West states. Meantime similar pressure from resident sources is leading the schools to boost non-resident fees sharply. These are the factors which led the Commission several years ago to begin consideration of establishing a school of its own.

The Commission continued its operation of the Family Training Center at Glasgow, Montana. The family-oriented vocational education facility serves the Old West states plus Idaho, providing education services to approximately 200 families. Eligible student families are identified by the Governors' offices in each of the states. The families receive a stipend while participating in programs such as vocational training, homemaking, budgeting, counseling, community development, education, and recreation.

This unique concept has resulted in a placement rate of approximately 80 percent among students graduating from the Center.

Another educational program undertaken during the year was a demonstration landfill operator training program coordinated by the Montana Department of Health and Environmental Sciences. Four states participated in the program, which was designed to achieve more efficient landfill maintenance, thereby upgrading the value of the landfill site and making it more adaptable for future uses.

For the second successive year, the Commission approved a grant to the American Indian Higher Education Consortium, a group of 16 Indian community colleges, 12 of which operate

in the Old West. The colleges received a grant of \$150,000 to provide one salaried position at each Old West school, to promote communication between the college and the tribal community, to inventory existing educational training programs, to identify areas in need of further development, to help with planning and accreditation, and to conduct student-tracking studies for analysis and documentation on the impact which the institutions are making upon the progress of the community.

Health Programs

In the areas of health services, the Commission approved two of five proposed Section 516 demonstration projects to be conducted in cooperation with the Public Health Service. When the authorization for health care demonstration projects was approved by

the Congress in the Commission's 1975 reauthorization legislation, the Commission agreed to undertake one rural demonstration project per state. The Public Health Service contributed a health care expert, assigned to the Commission staff in Rapid City, South Dakota, on the intergovernmental personnel act.

A grant in the amount of \$150,000 went to the Sandhills Visiting Nurses' Association which operates in western Nebraska. The project consists of home health care provided to patients in their own homes by the nurses, acting under the direction of a physician. Elements in the program include nursing service and treatment by a physician upon request, home health aides, physical therapy, nutrition counseling and testing. Through information and referral services, the project seeks to reduce potential barriers preventing persons from receiving adequate care.

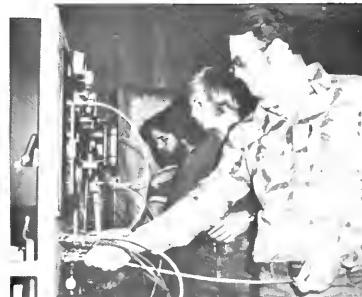
The North Dakota Department of Health undertook a demonstration project



designed to enhance rural primary health care through development of emergency care nurse practitioners. The project will continue for two years at the level of \$288,000. Objectives of this program are to increase emergency health care services in rural areas through expanded life support capabilities, to develop a model of such service which can be adapted to other rural areas within the Region, and to help improve health care services in the heavily-impacted energy development area of the State.

A planning grant was provided to South Dakota's Fifth Planning district to assist in development of another primary health care project.

A one-year extension was provided for the health manpower recruitment and placement project being undertaken for the Commission by a non-profit South Dakota firm. The program consists of assessing health care needs in Old West rural communities, advertising those needs throughout the country via mass



media; and when interested responses are received, endeavoring to match the personnel and their skills with the individual needs of specific communities. It has been responsible for placement of a number of physicians and other health care personnel in rural communities which have been without such service for years.

The Commission Human Resources advisory committee took several steps to improve the Commission's service to the people of the Region. An extensive needs analysis was completed; more than 100 reports were analyzed and 50 personal interviews were conducted in the five states with key administrators to ascertain needs in ten human service areas. The results were utilized to develop a Human Resources work plan for the Commission. The Commission has given formal approval to the documents, and will now be able to be responsive to the needs of the people, rather than waiting until the need is of crisis proportions.



Industrial Development

16 The Commission's industrial development efforts concentrated on three areas: development of international trading opportunities, assistance to developers of new products, and tourism.

As it did in the agricultural marketing area, the Commission continued to develop and implement an aggressive international trading and reverse investment program directed at the region's industrial products and tourism. With support from new offices opening in Germany and Japan, the program is directed at these objectives: expansion of international sales for the region's exports; promotion of Old West tourism; and encouragement for appropriate foreign industries to locate in the region.

Through a regional program administered by the State of Nebraska and guided by a five-state advisory group, the Commission established an office in the commercial and banking center of Frankfurt, Germany. The three-person office was headed by an experienced international marketing expert hired from a

large U.S. corporation. Liaison with the Region and guidance in foreign operations were provided by a "home support" office in Rapid City.

The Commission took a number of steps to bring appropriate investors from other countries to the Region in an effort to broaden its economic base and provide more job opportunities. Regional representatives attended meetings in Switzerland and Japan, and at the end of the fiscal year the Commission was planning a significant trade mission to western Europe, headed by three of the Old West Governors. Objectives of the mission were to examine costs and sources of foreign capital, possible joint ventures, new products suitable for manufacture in the region, the benefits of marketing associations, and achieving a more complete understanding of the potential benefits of utilizing foreign capital for regional development.

A grant to the University of Nebraska continued a growing program of export trade leads developed and disseminated

for industries. The service matches leads from overseas buyers with goods produced in the region. This effect is augmented by a number of export workshops designed to help manufacturers with their export problems. Reverse investment seminars were held in each of the states in August to provide bankers and other businessmen with new insight into capital availabilities. The programs proved so popular that it was agreed they should be continued.

On the national scene, Forbes magazine took note of the region's industrial growth potential by publishing a special advertising section highlighting the many Old West opportunities available to industries throughout the country.

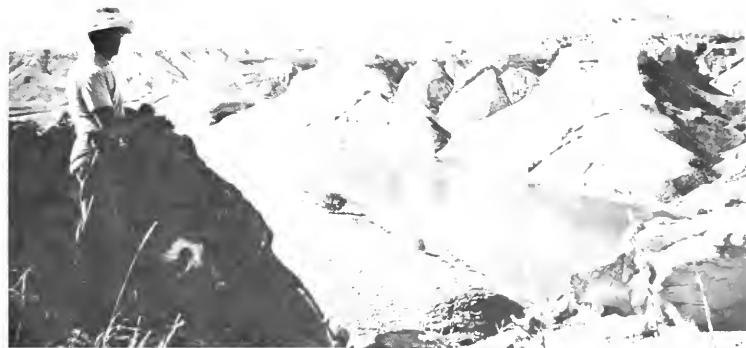
Commission efforts during the year helped establish a Center For Innovation (CFI) in Butte, Montana. CFI is a non-profit firm dedicated to helping small inventors bring their developments to commercial production status, locate buyers or investors and establish small businesses.



The program proved to be an instant success by assisting the inauguration of several small business ventures. It also attracted interest from the Department of Energy, other regional commissions and many states, all of whom recognized the value of stimulating small business, innovative product lines, and particularly promising developments in the fields of energy generation or conservation.

Other noteworthy industrial development activities included establishment of a task force to help coordinate a regional response to the critical cement shortage which struck midwestern states in late summer. Development of industry on Indian reservations was pressed through sponsorship of the Dahcotah Institute, a South Dakota-based non-profit organization representing 23 Indian tribes throughout the Region in an organized effort to locate industries willing to establish production plants on reservations to provide employment opportunities.

Another unique industrial development program sponsored by the Commission several years earlier had been a testing of the economic feasibility of harvesting and processing aspen, a plentiful forestry product in the region, for cattle feed. The Commission had sponsored several tests involving harvesting and processing the feed, testing its efficiency as a feed substitute and its utility as an emergency feed, and finally measuring the economic feasibility of establishing commercial businesses which could produce and market the feed. Having received positive answers to those questions, a number of agriculture organizations and operators have set in motion plans to produce aspen chips for cattle feed, either for their own large feeding operations or for commercial purposes. The project furnished an excellent example of inter-commission cooperation. While the development work was performed in South Dakota, great interest was exhibited in Minnesota where aspen undergrowth abounds. Through an exchange of information between Old West and Upper Great Lakes Commissions, incipient production activity in Minnesota was proving to be as great as it was in several localities in the Old West Region.



Tourism

The Commission's early explorations of industrial development opportunities in foreign countries, particularly western Europe, reinforced the view that the Old West holds great tourism appeal for peoples of other lands. In an effort to capitalize upon the worldwide interest in the Region, the Commission upgraded its tourism program by appointing a standing advisory committee to replace an ad hoc group which had furnished periodic guidance in the past.

In support of one of the tourism industry's major objectives, the Commission allocated \$250,000 to the first year of a three-year "Mellowtime" advertising campaign in midwest markets. The aim of the program is to extend the Region's traditional summer tourism season by one month at each end of the schedule. The major handicap faced by the Region's tourism operators is the relatively short season; an extension of two months would succeed in upgrading the industry significantly.

The advertising campaign, conducted through a number of national and regional media, produced approximately 50,000 requests for tourism information from the Region and researchers concluded that about 30 percent of those requesting information actually visited at least one of the Old West states during the fall. The heavy response was taken by regional tourism officials as an indication that with continued promotion, fall tourism traffic could be expanded to a level which would justify keeping facilities open for

an extended period.

Recreational services to support tourism and the cherished Old West quality of life have consistently been a major concern to the Commission. Provision of funds to match Federal Bureau of Outdoor Recreation grants was the first area in which the Commission applied its authority to augment State or local funds to achieve full utilization of available Federal funds. During the year the Commission provided \$632,157 for such projects in three of the states; local governments contributed \$453,097 to the projects and the Heritage Conservation and Recreation Service, formerly the Federal Bureau of Outdoor Recreation, added \$477,620.

Commission grants included \$197,067 to Montana to augment \$210,182 in local funds and \$13,115 from HCRRS; \$243,000 to Nebraska to augment \$87,500 in local funds and \$107,000 from HCRRS; \$192,090 to South Dakota to augment \$165,415 in local funds and \$357,505 from HCRRS.

In the past several years the Commission made efforts to take official cognizance of the importance of arts and crafts to the Region's industry. Previous efforts had not resulted in a consistent pattern of activity sufficient to bring this specialized endeavor into the overall industrial development picture. Consequently, the Commission approved formation of a standing arts and crafts advisory committee to make a comprehensive study of the situation and develop a recommended program for Commission consideration.

Government Services

18 Balanced growth and national economic development were important Federal themes during the year. The White House, under a Congressional mandate the previous year, scheduled a week-long conference to develop a national perspective on the goals and objectives implied in the themes. One of the first governmental entities to provide input to the White House conference was the Old West Commission.

When national conference organizers invited participation by the Regional Economic Development Commissions, Old West scheduled a two-day conference for delegates from its five states to discuss six predominant questions and endeavor to produce a regional position on them. Delegates to the conference were selected by the five Governors or enrolled on their own initiative. The Commission made a strong effort to publicize the event widely and to attract the broadest possible citizen representation. About 250 persons, representing virtually every public and private economic interest, attended the conference in Bismarck, North Dakota.

After an orientation session, delegates

were divided into six panel discussions led by selected leaders who had attended a previous training course. The panels considered the key questions in depth and the following day convened in a plenary meeting to hear and discuss summaries of the proposed regional positions. Written summaries and verbatim proceedings were subsequently published and made available to delegates and to the public upon request.

The six subjects which were the focus of Commission attention were:

1. Structuring an economic development strategy toward places.
2. Creating employment opportunities for individuals.
3. Addressing the fiscal capacity and services delivery problems of governments.
4. Recognizing the impact of the public sector on the geographic distribution of economic activity and population.
5. Assessing the inadequacies of government structure and processes.
6. Environmental quality and resource constraints, anticipating change and reconciling conflicts.

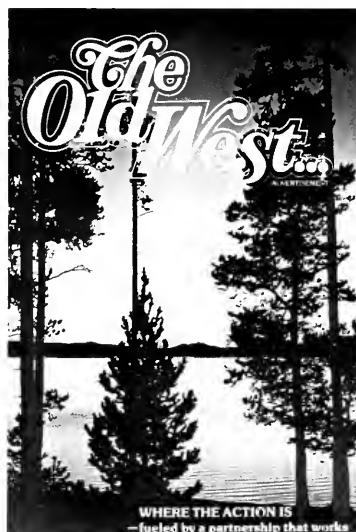
The State of South Dakota, supported by a Commission grant, had prepared for the conference earlier by conducting its own "Futures" program. Citizens from throughout the state were enlisted in a series of group exercises to explore and shape a state consensus on the difficult questions involved in establishing future goals.

The Governors subsequently selected three delegates from each state to represent the region at the White House Conference in January. The Commission paid transportation expenses to the Conference, which dealt with the same six questions analyzed in Bismarck and dwelt at length on the value of regional organizations, such as the Commissions, in meeting national growth and economic development problems.

As a followup, to what Old West officials agreed was a valuable start in the area of defining regional growth problems and beginning a search for compatible solutions, the Commission subsequently allocated \$25,000 to each state to conduct another balanced growth exercise. In so doing, it left open the possibility that the state programs might be followed by a second regionwide meeting to assemble results and integrate them into future planning. Montana was the first state to exercise its option under the followup program, establishing a task force on balanced growth as it affects human resources. The task force began compiling statistical information on services and needs, analyzing it and making recommendations for administrative and legislative actions in FY 1979.

Economic Modelling

For the second year, the Commission secured the services of a nationally-prominent economic modelling and forecasting firm for Old West state economic forecasters. Under a contract with Chase Econometrics of Philadelphia, three continuing services were provided to the states. The first was a national macroeconomic forecast model of the United States economy, predicting every month what the key economic indicators would do during the next 10 calendar quarters. The second service, delivered every two months, was an agricultural model dealing with livestock and crop sectors and cash flow considerations. The third service, provided quarterly, was a model





and forecast of each state's economy, plus an economically-driven forecast of population movement.

The econometric service found increasing usage among the states in development of their own forecasts. Nebraska used it to help forecast future state revenues. Guidance and assistance in utilizing the service were provided twice a year through a seminar for interested state officials, conducted by Chase economists who also provided on-site technical assistance as requested.

Technical Assistance

Assistance to energy-impacted communities and sub-state planning districts continued to be a key aspect of the Commission program. As agreed earlier by the Commission, the program of direct administrative grants to sub-state districts was concluded in June so that subsequent funding requests for such districts would be considered and recommended by the states as part of the community technical assistance program. Each state was allocated a ceiling of \$37,500 for the final federal quarter of FY 1978 (align Commission funding of the program with the new federal budgetary cycle) plus an allocation of \$150,000 for FY 1979.

The program has been one of the Commission's most successful efforts in assisting energy-impacted communities to

cope with the complexities of rapid growth and socio-economic change. Funds are devoted to public service projects and personal services by community specialists in communities which have proven deficiencies and inadequate tax bases to correct them without outside assistance. Funds dispensed for community technical assistance during FY 1978 included \$273,631 to Montana communities, \$53,360 in North Dakota, and \$151,017 in Wyoming.

The American Planning Association completed work on a project undertaken for the Commission by a predecessor agency, the American Society of Planning Officials, to draft a planning guide for rural and small communities officials. The Commission and the APA were developing plans to publish the book for distribution to appropriate officials in the Region and subsequently to offer it for sale to educators and educational institutions as a unique and comprehensive textbook on rural planning.

In another service to local governments, the Commission allocated \$45,000 to supplement an Economic Development Administration grant to two North Dakota counties, helping them prepare an economic adjustment strategy to meet the impact of the Defense department's closing of a Safeguard ABM site in the northeastern part of the state.

Financial Statement

20 I. Technical Assistance

A. Funds Available

1. Family Training Center Program	
FY 1978 Appropriation	\$ 1,100,000
Transfer from Labor Department	2,800,000
Unobligated Balance Forward	1,156,851
Recoveries of Prior Year Obligations	409,455
Total Available	\$ 5,466,306

2. Technical Assistance Other Than Family

Training Center Program	
FY 1978 Appropriation	\$ 5,874,000
Unobligated Balance Brought Forward	83,647
Recoveries of Prior Year Obligations	419,076
Total Available	\$ 6,376,723
Total Technical Assistance Funds Available	\$11,843,029

B. Application of Technical Assistance Funds

Family Training Center Program	\$ 4,696,000
Human Resources	583,175
Industrial Development and International Trade	599,178
Natural Resources and Energy	761,897
Agriculture and Forestry	2,244,147
Recreation and Tourism	252,000
Transportation	30,000
Regional Economic Analysis	65,711
Government Services	767,455
State Investment Planning	700,000
Total Technical Assistance Funds Obligated	\$10,699,563

II. Administrative Expense Funds Obligated

Federal Cochairman's Office	\$ 359,119
Commission Office (Non-Federal)	332,017
Total Administrative Obligations	\$ 691,136

III. Supplemental Grants

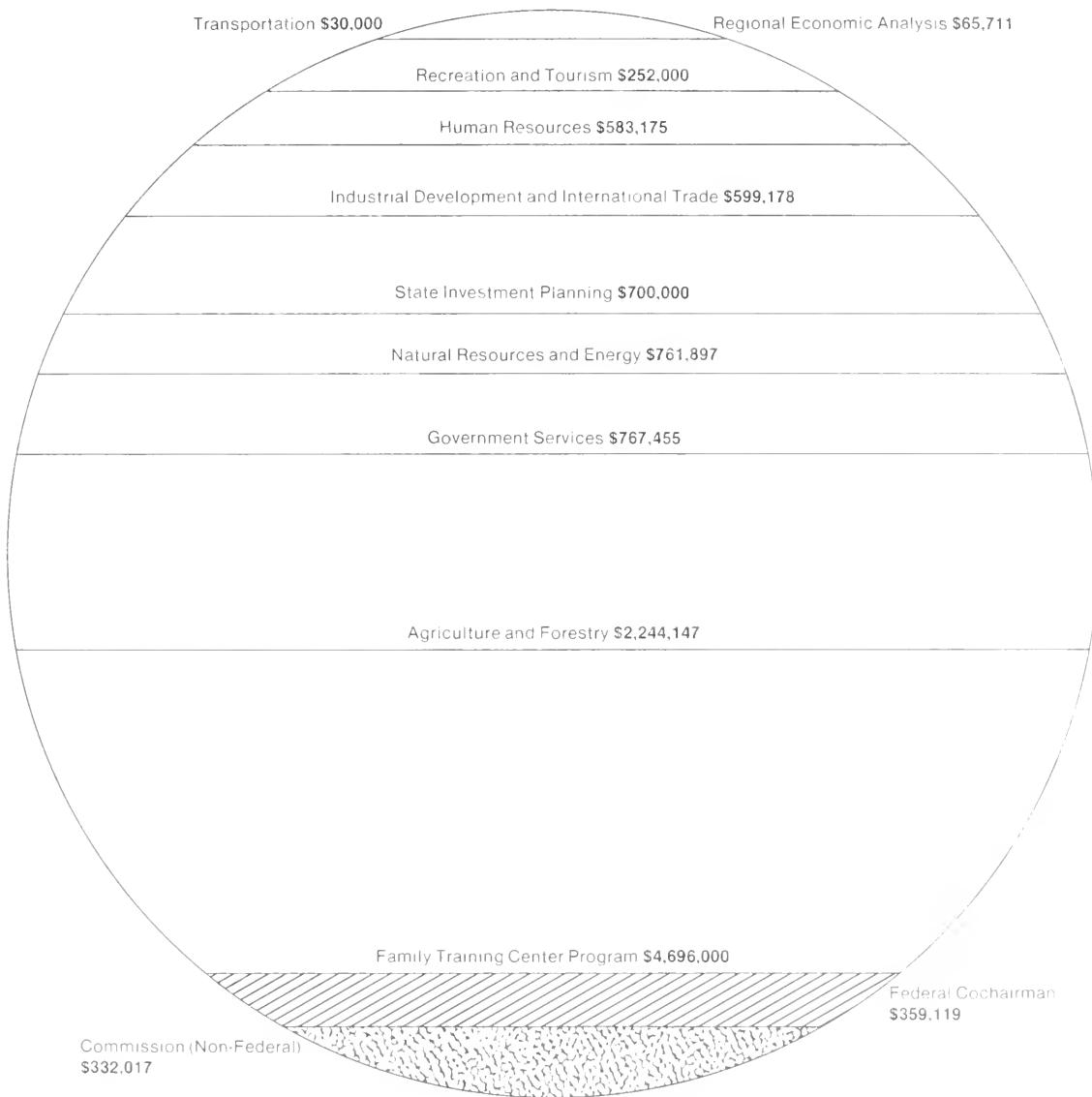
Funds Available	\$ 1,550,000
Obligations Incurred:	
Industrial Development	65,000
Agriculture and Forestry	541,883
Recreation and Tourism	632,157
Total Supplemental Grants Obligated	\$ 1,239,040



Application of Technical Assistance



Administrative Expense Funds



Index of OWRC Reports and Publications

22	Library Code Number	Title of Publication
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16		Alternative Approaches for Improving Minority Resource Employment in the Old West Region
18*		Construction Worker Profile (10 Reports) 1 - Summary Report 2 - Final Report 3 - User's Guide to the Data 4 - Community Report - Rock Springs-Green River, Wyoming 5 - Community Report - Forsyth-Colstrip, Montana 6 - Community Report - Center, North Dakota 7 - Community Report - Langdon, North Dakota 8 - Community Report - Conrad, Montana 9 - Community Report - Killdeer, North Dakota 10 - Community Report - St. George, Utah
27*		Northern Plains College of Veterinary Medicine-A Feasibility Study
28		Summary of No. 27
50*		Summary Report: A Social, Economic, and Cultural Study of the Crow Reservation-Implications for Energy Development
51*		Final Report of No. 50
52*		Volume I: The Northern Cheyenne Tribe and Energy Development in Southeastern Montana-Social, Cultural, and Economic Investigations
53*		Volume II: Same title as No. 52
55		Model Refinement Study: A Comparative Study of Alternative Plans for Veterinary Medical Education and Services in the Old West Region
60		A Feasibility Analysis of an Expanded Vocations and Sheltered Employment Program at the Gottsche Foundation Rehabilitation Center
NATURAL RESOURCES		
17		Multiobjective Planning for Multiple Purpose Water Resource Development: A Structure for Regional Water Resource Development
33 +		Investigation of Recharge to Groundwater Reservoirs of Northeastern Wyoming (The Powder River Basin)
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5*		The Procedure Manual for Assessing the Socioeconomic Impact of the Construction and Operation of Coal Utilization Facilities in the Old West Region (See No. 24 and 24a)
7*		Economic and Social Impacts of Coal Development in the 1970's for Mercer County, North Dakota
8*		Environmental Impacts of Alternative Conversion Processes for Western Coal Development
9*		A Legal Study Relating to Coal Development-Population Issues Volume 1 - Responding to Rapid Population Growth Volume 2 - Land Use Planning and Growth Control: Statutory Responses from Outside Region Volume 3 - Summary of Montana, North Dakota and Wyoming Statutes: Financing and Population Issues Bibliographies Volume 4 - Montana Statutes Relating to Rapid Population Growth Volume 5 - North Dakota Statutes Relating to Rapid Population Growth Volume 6 - Wyoming Statutes Relating to Rapid Population Growth
18*		Construction Worker Profile (10 Reports) 1 - Summary Report 2 - Final Report

Library Code Number	Title of Publication
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24*	An Application of a Procedures Manual for assessing the Socioeconomic Impact of the Construction and Operation of Coal Utilization Facilities in the Old West Region (See No. 5 and 24a)
24a*	An Evaluation of a Procedures Manual for Assessing the Socioeconomic Impact of the Construction and Operation of Coal Utilization Facilities in the Old West Region (See No. 5 and 24)
31*	Potential of Coal Strip-mine Spoils as Aquifers in the Powder River Basin
33 +	Investigation of Recharge to Groundwater Reservoirs of Northeastern Wyoming (The Powder River Basin) Volume 1 - The Report Volume 2 - Maps Volume 3 - Appendices
34*	Energy Reduction Through Improved Irrigation Practices
36*	Weather Modification Potential of Coal-Fired Power Plants
50*	A Social, Economic, and Cultural Study of the Crow Reservation: Implications for Energy Development - Summary Report
51*	Final Report of No. 50
52*	Volume I - The Northern Cheyenne Tribe and Energy Development in Southeastern Montana-Social, Cultural, and Economic Investigations
53*	Volume II - Same title as No. 52
57	Bentonite Mining Related Reclamation Problems
59	Trace Elements of Energy Conversion Facilities: Phase One Report
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- 26* Regional Economic Plan
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